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Name of Offeror or Contractor: Z SYSTEMS CORPORATION		

SECTION A - SUPPLEMENTAL INFORMATION

MODIFICATION P00003 TO CONTRACT W56HZV-06-C-0677

PROGRAM: TOTAL PACKAGE FIELDING (TPF) FOR PM-HBCT (BFVS, M113 AND PM ASSURED MOBILITY SYSTEMS (PM BRIDGING))

PREVIOUS FUNDED CONTRACT AMOUNT: \$ 1,977,414.00

NET AMOUNT THIS ACTION: \$ 1,110,428.00

CURRENT CONTRACT DOLLAR AMOUNT: \$ 3,087,842.00

1. The purpose of Modification P00003 to Contract W56HZV-06-C-0677 is to exercise an option for 16,656 TPF Level of Effort (LOE) hours for work listed on Work Directive(s) BFVS 07-02, BFVS 07-03, M113FOV 07-01, Revision 1, M113FOV 07-01, Revision 2, and AMS 07-01. In addition, this contractual action changes all references previously citing PM Bridging in Section B, Special Clause B.5 and Section H, Special Clause H.4 to PM Assured Mobility Systems (PM Bridging), and corrects the Total Cost Fixed Fee Per Hour Base Year amount for M113 vehicle System in Special Clause B.4.1 from \$49.71 to \$49.72.

2. This option exercise is acquiring 16,656 TPF LOE hours on the following CLINs:

CLIN: 0001AB

Work Directive: BFVS 07-02

	<u>Prior</u>	<u>This Change</u>	<u>Total</u>
Hours	0	2,000	2,000
Estimated Cost	\$ 0	\$ 87,240.00	\$ 87,240.00
Fixed Fee	\$ 0	\$ 4,360.00	\$ 4,360.00
ODCs/Travel	\$ 0	\$ 108,400.00	\$ 108,400.00
Total CPFF	\$ 0	\$ 200,000.00	\$ 200,000.00

CLIN: 0001AC

Work Directive: BFVS 07-03

	<u>Prior</u>	<u>This Change</u>	<u>Total</u>
Hours	0	4,668	4,668
Estimated Cost	\$ 0	\$ 204,490.00	\$ 204,490.00
Fixed Fee	\$ 0	\$ 10,220.00	\$ 10,220.00
ODCs/Travel	\$ 0	\$ 2,000.00	\$ 2,000.00
Total CPFF	\$ 0	\$ 216,710.00	\$ 216,710.00

CLIN: 0003AA (SubCLIN 0003AB)

Work Directive: M113FOV 07-01, Revision 1

	<u>Prior</u>	<u>This Change</u>	<u>Total</u>
Hours	7,543	1,005	8,548
Estimated Cost	\$ 357,086.00	\$ 47,587.00	\$ 404,673.00
Fixed Fee	\$ 17,877.00	\$ 2,382.00	\$ 20,259.00
ODCs/Travel	\$ 25,000.00	\$ 50,031.00	\$ 75,031.00
Total CPFF	\$ 399,963.00	\$ 100,000.00	\$ 499,963.00

CLIN: 0003AA (SubCLIN 0003AC)

Work Directive: M113FOV 07-01, Revision 2

	<u>Prior</u>	<u>This Change</u>	<u>Total</u>
Hours	8,548	8,046	16,594
Estimated Cost	\$ 404,673.00	\$ 380,978.00	\$ 785,651.00
Fixed Fee	\$ 20,259.00	\$ 19,069.00	\$ 39,328.00
ODCs/Travel	\$ 75,031.00	\$ 49,953.00	\$ 124,984.00
Total CPFF	\$ 499,963.00	\$ 450,000.00	\$ 949,963.00

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CLIN: 0004AA

Work Directive: AMS 07-01

	<u>Prior</u>	<u>This Change</u>	<u>Total</u>
Hours	0	917	917
Estimated Cost	\$ 0	\$ 43,209.00	\$ 43,209.00
Fixed Fee	\$ 0	\$ 2,164.00	\$ 2,164.00
ODCs/Travel	\$ 0	\$ 98,345.00	\$ 98,345.00
Total CPFF	\$ 0	\$ 143,718.00	\$ 143,718.00

- a. BFVS TPF hours optioned to date total 6,688 hours, leaving 163,312 BFVS TPF hours available for future option exercise.
- b. M113 TPF hours optioned to date total 16,594 hours, leaving 15,406 M113 TPF hours available for future option exercise.
- c. PM Assured Mobility Systems (PM Bridging) TPF hours optioned to date total 917 hours, leaving 13,083 PM Assured Mobility Systems (PM Bridging) TPF hours available for future option exercise.
- d. Contract TPF hours optioned to date total 26,596 hours, leaving 573,404 contract TPF hours available for future option exercise. Base year TPF hours awarded 31 August 2006 total 29,736 hours.
- e. The option is exercised prior to 31 August 2011.

3. The TPF LOE option hours exercised under Modification P00003 are at the following rates:

- a. BFVS TPF hours at \$43.62 for Estimated Cost and \$2.18 for Fixed Fee, for a total CPFF of \$45.80.
- b. M113 TPF hours at \$47.35 for Estimated Cost and \$2.37 for Fixed Fee, for a total CPFF of \$49.72.
- c. PM Assured Mobility Systems (PM Bridging) TPF hours at \$47.12 for Estimated Cost and \$2.36 for Fixed Fee for a total CPFF of \$49.48.

4. This modification impacts the contract amount. This contractual action increases the total contract amount by \$1,110,428.00 from the prior amount of \$1,977,414.00 to a new total of \$3,087,842.00 and increases the total base and option year TPF hours awarded to date by 16,656 hours from 39,676 hours to 56,332 hours:

	<u>Prior</u>	<u>This Change</u>	<u>Total</u>
Base and Option LOE Hours:	39,676	16,656	56,332
Estimated Cost	\$ 1,757,711.00	\$ 763,504.00	\$ 2,521,215.00
Fixed Fee	\$ 87,863.00	\$ 38,195.00	\$ 126,058.00
ODCs/Travel	\$ 131,840.00	\$ 308,729.00	\$ 440,569.00
Cost Plus Fixed Fee	\$ 1,977,414.00	\$ 1,110,428.00	\$ 3,087,842.00

5. All other terms and conditions of contract W56HZV-06-C-0677 remain unchanged and in full force and effect.

*** END OF NARRATIVE A 0003 ***

Name of Offeror or Contractor: Z SYSTEMS CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT				
0001AB	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS								
	<u>SERVICES LINE ITEM</u>				\$ 200,000.00				
	NOUN: TOTAL PACKAGE FIELDING BRADLE PRON: EH71W136EH PRON AMD: 01 ACRN: AF AMS CD: 13519700000								
	WORK DIRECTIVE: BFVS 07-02 PROGRAM: TOTAL PACKAGE FIELDING FOR BFVS			Estimated Cost:	\$ 87,240.00				
	START OF WORK: DATE OF MODIFICATION P00003 COMPLETION DATE: 31 DECEMBER 2007 LEVEL OF EFFORT: 2,000 HOURS			Fixed Fee:	\$ 4,360.00				
				ODCs/Travel:	\$ 108,400.00				
				CPFF:	\$ 200,000.00				
	(End of narrative B001)								
	<u>Inspection and Acceptance</u> INSPECTION: Destination ACCEPTANCE: Destination								
	<u>Deliveries or Performance</u> DLVR SCH <table><tr><td><u>REL CD</u></td><td><u>QUANTITY</u></td><td><u>DATE</u></td></tr><tr><td>001</td><td>0</td><td>31-DEC-2007</td></tr></table>	<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>	001	0	31-DEC-2007		
<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>							
001	0	31-DEC-2007							
	\$ 200,000.00								

Name of Offeror or Contractor: Z SYSTEMS CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AC	<div>SERVICES LINE ITEM</div> <div>NOUN: ODS BRADLEY - BII CAMP SHELBY PRON: EH7CR218EH PRON AMD: 01 ACRN: AG AMS CD: 137010NC000</div> <div>WORK DIRECTIVE: BFVS 07-03 PROGRAM: TOTAL PACKAGE FIELDING FOR BFVS START OF WORK: DATE OF MODIFICATION P00003 COMPLETION DATE: 31 AUGUST 2007 LEVEL OF EFFORT: 4,688 HOURS</div> <div>(End of narrative B001)</div> <div>Inspection and Acceptance INSPECTION: Destination ACCEPTANCE: Destination</div> <div>Deliveries or Performance DLVR SCH PERF COMPL REL CD QUANTITY DATE 001 0 31-AUG-2007</div> <div>\$ 216,710.00</div>			<div>Estimated Cost: \$ 204,490.00 Fixed Fee: \$ 10,220.00 ODCs/Travel: \$ 2,000.00 CPFF: \$ 216,780.00</div>	\$ 216,710.00

Name of Offeror or Contractor: Z SYSTEMS CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003AA	<div>SERVICES LINE ITEM</div> <div>NOUN: M113, TPF SUPPORT PRON: 7268C03672PRON AMD: 02ACRN: AD AMS CD: 31200496006</div> <div>WORK DIRECTIVE: M113FOV 07-01 PROGRAM: TOTAL PACKAGE FIELDING FOR M113 FOV START OF WORK: DATE OF SIGNED MODIFICATION P00001 COMPLETION DATE: 04 MAY 2008 LEVEL OF EFFORT: 16,594 HOURS</div> <div>(End of narrative B001)</div> <div>Inspection and Acceptance INSPECTION: DestinationACCEPTANCE: Destination</div> <div>Deliveries or Performance DLVR SCHPERF COMPL REL CDQUANTITYDATE 001004-MAY-2008</div> <div>\$399,963.00</div>			<div>Estimated Cost: \$785,651.00 Fixed Fee: \$39,328.00 ODCs/Travel: \$124,984.00 CPFF: \$949,963.00</div>	\$399,963.00

Name of Offeror or Contractor: Z SYSTEMS CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003AB	<div>SERVICES LINE ITEM</div> <div>NOUN: TOTAL PACKAGE FIELDING - M113 PRON: EH71W137EH PRON AMD: 01 ACRN: AF AMS CD: 13519700000</div> <div>FUNDING SUBCLIN IN SUPPORT OF CLIN 0003AA</div> <div>(End of narrative B001)</div> <div>Inspection and Acceptance INSPECTION: Destination ACCEPTANCE: Destination</div> <div>Deliveries or Performance DLVR SCH PERFORM COMPL REL CD QUANTITY DATE 001 0 04-MAY-2008</div> <div>\$ 100,000.00</div>				\$ 100,000.00

Name of Offeror or Contractor: Z SYSTEMS CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003AC	<div>SERVICES LINE ITEM</div> <div>NOUN: TPF SUPPORT PRON: 7258C05772PRON AMD: 01ACRN: AJ AMS CD: 31200496006</div> <div>FUNDING SUBCLIN IN SUPPORT OF CLIN 0003AA</div> <div>(End of narrative B001)</div> <div>Inspection and Acceptance INSPECTION: DestinationACCEPTANCE: Destination</div> <div>Deliveries or Performance DLVR SCHPERF COMPL REL CDQUANTITYDATE 001004-MAY-2008</div> <div>\$450,000.00</div>				\$450,000.00

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Name of Offeror or Contractor: Z SYSTEMS CORPORATION					
ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0004	SECURITY CLASS: Unclassified				
0004AA	<div>SERVICES LINE ITEM</div> <div>NOUN: TOTAL PKG FIELDING IRB,BEB,RE PRON: P176K1082T PRON AMD: 01 ACRN: AH AMS CD: 53152831125</div> <div>WORK DIRECTIVE: AMS 07-01 PROGRAM: TOTAL PACKAGE FIELDING FOR PM ASSURED MOBILITY SYSTEMS (PM BRIDGING) START OF WORK: DATE OF MODIFICATION P00003 COMPLETION DATE: 30 SEPTEMBER 2008 LEVEL OF EFFORT: 917 HOURS</div> <div>(End of narrative B001)</div> <div>Inspection and Acceptance</div> <div>INSPECTION: Destination ACCEPTANCE: Destination</div> <div>Deliveries or Performance</div> <div>DLVR SCH PERF COMPL REL CD QUANTITY DATE 001 0 30-SEP-2008</div> <div>\$ 143,718.00</div>				\$ 143,718.00
				Estimated Cost: \$ 43,209.00 Fixed Fee: \$ 2,164.00 ODCs/Travel: \$ 98,345.00 CPFF: \$ 143,718.00	

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B.1 Program Base Hours and CLIN Structure:

Program	CLIN	Base Hours
Bradley	0001AA	24,910
M707 KNIGHT	0002AA	3,449
M113	0003AA	00
PM Bridging	0004AA	0
M88A2 HERCULES	0005AA	1,377
M-1 Abrams	0006AA	0
PM Heavy Brigade		
Combat Team	0007AA	0
FAASV/Paladin	0008AA	0
OPNET Instructor	0010AA	0
Total:		29,736

B.2 Option, Bradley Fighting Vehicle System (BFVS)

B.2.1 In accordance with Clause H.1, the Government shall have the option to increase the Bradley Fighting Vehicle System (BFVS) Level of Effort Hours by a maximum of 170,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 170,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0001 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.1.

Available Hours: 170,000

Time Period (Months after original Award)		Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year	1 to 12 months after contract award	<u>\$43.62</u>	<u>\$2.18</u>	<u>\$45.80</u>
Year 2	13 to 24 months after contract award	<u>\$41.23</u>	<u>\$2.06</u>	<u>\$43.29</u>
Year 3	25 to 36 months after contract award	<u>\$42.47</u>	<u>\$2.12</u>	<u>\$44.59</u>
Year 4	37 to 48 months after contract award	<u>\$43.75</u>	<u>\$2.19</u>	<u>\$45.94</u>
Year 5	49 to 60 months after contract award	<u>\$45.07</u>	<u>\$2.25</u>	<u>\$47.32</u>

B.3 Option, M707 KNIGHT Vehicle System

B.3.1 In accordance with Clause H.2, the Government shall have the option to increase the M707 KNIGHT Vehicle System Level of Effort Hours by a maximum of 16,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 16,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0002 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.2.

Available Hours: 16,000

Time Period (Months after original Award)		Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year	1 to 12 months after contract award	<u>\$43.26</u>	<u>\$2.16</u>	<u>\$45.43</u>
Year 2	13 to 24 months after contract award	<u>\$42.50</u>	<u>\$2.12</u>	<u>\$44.62</u>
Year 3	25 to 36 months after contract award	<u>\$43.77</u>	<u>\$2.19</u>	<u>\$45.96</u>
Year 4	37 to 48 months after contract award	<u>\$45.09</u>	<u>\$2.25</u>	<u>\$47.35</u>
Year 5	49 to 60 months after contract award	<u>\$46.45</u>	<u>\$2.32</u>	<u>\$48.77</u>

B.4 Option, M113 Vehicle System

B.4.1 In accordance with Clause H.3, the Government shall have the option to increase the M113 Vehicle System Level of Effort Hours by a maximum of 32,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 32,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0003 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.3.

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Available Hours: 32,000

Time Period (Months after original Award)	Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year 1 to 12 months after contract award	<u>\$47.35</u>	<u>\$2.37</u>	<u>\$49.72</u>
Year 2 13 to 24 months after contract award	<u>\$44.42</u>	<u>\$2.21</u>	<u>\$46.43</u>
Year 3 25 to 36 months after contract award	<u>\$45.55</u>	<u>\$2.28</u>	<u>\$47.82</u>
Year 4 37 to 48 months after contract award	<u>\$46.93</u>	<u>\$2.35</u>	<u>\$49.28</u>
Year 5 49 to 60 months after contract award	<u>\$48.34</u>	<u>\$2.42</u>	<u>\$50.76</u>

B.5 Option, PM Assured Mobility Systems (PM Bridging) (Changed by Modification P00003)

B.5.1 In accordance with Clause H.4, the Government shall have the option to increase the PM Assured Mobility Systems (PM Bridging) Level of Effort Hours by a maximum of 14,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 14,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0004 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.4.

Available Hours: 14,000

Time Period (Months after original Award)	Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year 1 to 12 months after contract award	<u>\$47.12</u>	<u>\$2.36</u>	<u>\$49.48</u>
Year 2 13 to 24 months after contract award	<u>\$40.77</u>	<u>\$2.04</u>	<u>\$42.81</u>
Year 3 25 to 36 months after contract award	<u>\$41.99</u>	<u>\$2.10</u>	<u>\$44.09</u>
Year 4 37 to 48 months after contract award	<u>\$43.27</u>	<u>\$2.16</u>	<u>\$45.43</u>
Year 5 49 to 60 months after contract award	<u>\$44.57</u>	<u>\$2.23</u>	<u>\$46.80</u>

B.6 Option, M88A2 HERCULES Vehicle System

B.6.1 In accordance with Clause H.5, the Government shall have the option to increase the M88A2 HERCULES Vehicle System Level of Effort Hours by a maximum of 16,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 16,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0005 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.5.

Available Hours: 16,000

Time Period (Months after original Award)	Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year 1 to 12 months after contract award	<u>\$38.85</u>	<u>\$1.94</u>	<u>\$40.79</u>
Year 2 13 to 24 months after contract award	<u>\$40.77</u>	<u>\$2.04</u>	<u>\$42.81</u>
Year 3 25 to 36 months after contract award	<u>\$41.99</u>	<u>\$2.10</u>	<u>\$44.09</u>
Year 4 37 to 48 months after contract award	<u>\$43.27</u>	<u>\$2.16</u>	<u>\$45.43</u>
Year 5 49 to 60 months after contract award	<u>\$44.57</u>	<u>\$2.23</u>	<u>\$46.80</u>

B.7 Option, M-1 Abrams Vehicle System

B.7.1 In accordance with Clause H.6, the Government shall have the option to increase the M-1 Abrams Vehicle System Level of Effort Hours by a maximum of 50,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 50,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0006 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.6.

Available Hours: 50,000

Time Period (Months after original Award)	Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
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Base Year	1 to 12 months after contract award	<u>\$46.44</u>	<u>\$2.32</u>	<u>\$48.76</u>
Year 2	13 to 24 months after contract award	<u>\$46.44</u>	<u>\$2.32</u>	<u>\$48.76</u>
Year 3	25 to 36 months after contract award	<u>\$47.84</u>	<u>\$2.39</u>	<u>\$50.23</u>
Year 4	37 to 48 months after contract award	<u>\$49.31</u>	<u>\$2.47</u>	<u>\$51.77</u>
Year 5	49 to 60 months after contract award	<u>\$50.79</u>	<u>\$2.54</u>	<u>\$53.33</u>

B.8 Option, PM - Heavy Brigade Combat Team

B.8.1 In accordance with Clause H.7, the Government shall have the option to increase the PM - Heavy Brigade Combat Team Level of Effort Hours by a maximum of 1,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 1,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0007 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.7.

Available Hours: 1,000

Time Period (Months after original Award)		Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year	1 to 12 months after contract award	<u>\$43.26</u>	<u>\$2.16</u>	<u>\$45.43</u>
Year 2	13 to 24 months after contract award	<u>\$42.50</u>	<u>\$2.12</u>	<u>\$44.62</u>
Year 3	25 to 36 months after contract award	<u>\$43.77</u>	<u>\$2.19</u>	<u>\$45.96</u>
Year 4	37 to 48 months after contract award	<u>\$45.09</u>	<u>\$2.25</u>	<u>\$47.35</u>
Year 5	49 to 60 months after contract award	<u>\$46.45</u>	<u>\$2.32</u>	<u>\$48.77</u>

B.9 Option, FAASV/Paladin Vehicle System

B.9.1 In accordance with Clause H.8, the Government shall have the option to increase the FAASV/Paladin Vehicle System Level of Effort Hours by a maximum of 1,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 1,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0008 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.8.

Available Hours: 1,000

Time Period (Months after original Award)		Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year	1 to 12 months after contract award	<u>\$43.26</u>	<u>\$2.16</u>	<u>\$45.43</u>
Year 2	13 to 24 months after contract award	<u>\$42.50</u>	<u>\$2.12</u>	<u>\$44.62</u>
Year 3	25 to 36 months after contract award	<u>\$43.77</u>	<u>\$2.19</u>	<u>\$45.96</u>
Year 4	37 to 48 months after contract award	<u>\$45.09</u>	<u>\$2.25</u>	<u>\$47.35</u>
Year 5	49 to 60 months after contract award	<u>\$46.45</u>	<u>\$2.32</u>	<u>\$48.77</u>

B.10 Option, Operator New Equipment Training (OPNET)

B.10.1 In accordance with Clause H.9, the Government shall have the option to increase the Operator New Equipment Training Level of Effort Hours by a maximum of 300,000 hours. The Government may exercise this option in more than one increment. The total option hours added to the Contract by exercise of this option shall not exceed 300,000 hours. If exercised, the hours increased and unilaterally awarded on CLIN 0010 shall be on a Cost-Plus-Fixed-Fee basis in accordance with the time period outlined below for any option hours exercised, and at the corresponding hourly rates specified below and further described in Clause H.9.

Available Hours: 300,000

Time Period (Months after original Award)		Estimated Cost Per Hour	Fixed Fee Per Hour	Total Cost Fixed Fee Per Hour
Base Year	1 to 12 months after contract award	<u>\$ N.A</u>	<u>\$ N.A</u>	<u>\$ N.A</u>
Year 2	13 to 24 months after contract award	<u>\$39.38</u>	<u>\$1.97</u>	<u>\$41.35</u>
Year 3	25 to 36 months after contract award	<u>\$40.56</u>	<u>\$2.03</u>	<u>\$42.59</u>
Year 4	37 to 48 months after contract award	<u>\$41.80</u>	<u>\$2.09</u>	<u>\$43.89</u>
Year 5	49 to 60 months after contract award	<u>\$43.05</u>	<u>\$2.15</u>	<u>\$45.20</u>

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Modification P00002 adds base year rates for M-1 Abrams, and base year through year 5 rates for PM Heavy Brigade Combat Team and FAASV/Paladin.
Modification P00003 changes all previous references to PM Bridging in Special Clause B.5 to PM Assured Mobility Systems (PM Bridging).

*** END OF NARRATIVE B 0001 ***

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SECTION G - CONTRACT ADMINISTRATION DATA

LINE	PRON/ AMS CD/ <u>ITEM</u> <u>MIPR</u>	<u>ACRN</u>	<u>OBLG STAT/</u> <u>JOB ORD NO</u>		<u>PRIOR AMOUNT</u>	<u>INCREASE/DECREASE</u> <u>AMOUNT</u>	<u>CUMULATIVE</u> <u>AMOUNT</u>
0001AB	EH71W136EH 13519700000	AF	1 7LUBCT	\$	0.00	\$ 200,000.00	\$ 200,000.00
0001AC	EH7CR218EH 137010NC000 B17LIX137NMC	AG	1 7LIRNG	\$	0.00	\$ 216,710.00	\$ 216,710.00
0003AB	EH71W137EH 13519700000	AF	1 7LUBCT	\$	0.00	\$ 100,000.00	\$ 100,000.00
0003AC	7258C05772 31200496006 A15P30067272	AJ	1 5ZGB06	\$	0.00	\$ 450,000.00	\$ 450,000.00
0004AA	P176K1082T 53152831125 A17P51251CRP	AH	1 7ZCB03	\$	0.00	\$ 143,718.00	\$ 143,718.00
NET CHANGE					\$	1,110,428.00	

SERVICE <u>NAME</u>	NET CHANGE <u>BY ACRN</u>	<u>ACCOUNTING CLASSIFICATION</u>				<u>ACCOUNTING</u> <u>STATION</u>	<u>INCREASE/DECREASE</u> <u>AMOUNT</u>
Army	AF	21	72020000076D8030P1351972512	S20113		W56HZV	\$ 300,000.00
Army	AG	21	72020000076D8030P1370102577	S20113		W56HZV	\$ 216,710.00
Army	AH	21	72035000071C1C09P53152825FB	S20113		W56HZV	\$ 143,718.00
Army	AJ	21	52033000055R5R03P31200431E9	S20113		W56HZV	\$ 450,000.00
NET CHANGE							\$ 1,110,428.00

	<u>PRIOR AMOUNT</u> <u>OF AWARD</u>	<u>INCREASE/DECREASE</u> <u>AMOUNT</u>	<u>CUMULATIVE</u> <u>OBLIG AMT</u>
NET CHANGE FOR AWARD:	\$ 1,977,414.00	\$ 1,110,428.00	\$ 3,087,842.00

<u>ACRN</u>	<u>EDI ACCOUNTING CLASSIFICATION</u>				
AF	21	070720200000	S20113	76D8030135197000002512	7LUBCTS20113 W56HZV
AG	21	070720200000	S20113	76D8030137010NC0002577	7LIRNGS20113 W56HZV
AH	21	070920350000	S20113	71C1C095315283112525FB	7ZCB03S20113 W56HZV
AJ	21	050720330000	S20113	55R5R033120049600631E9	5ZGB06S20113 W56HZV

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SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 Option, Bradley Fighting Vehicle System (BFVS)

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting the Bradley Fighting Vehicle System under CLIN 0001 of this contract by up to 170,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.2.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of the Bradley Fighting Vehicle System does not exceed 170,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total BFVS option hours remaining: 163,312 hours. Total BFVS option hours exercised: 6,688 hours (Modification P00003).

H.2 Option, M707 KNIGHT Vehicle System

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting the M707 KNIGHT Vehicle System under CLIN 0002 of this contract by up to 16,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.3.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of the M707 KNIGHT Vehicle System does not exceed 16,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total KNIGHT option hours remaining: 16,000 hours. Total KNIGHT option hours exercised: 0 hours.

H.3 Option, M113 Vehicle System

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting the M113 Vehicle System under CLIN 0003 of this contract by up to 32,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.4.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of the M113 Vehicle System does not exceed 32,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total M113 option hours remaining: 15,406 hours. Total M113 option hours exercised: 16,594 hours (Modification P00003).

H.4 Option, PM Assured Mobility Systems (PM Bridging) (Changed by Modification P00003)

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting PM Assured Mobility Systems (PM Bridging) under CLIN 0004 of this contract by up to 14,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.5.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of PM Assured Mobility Systems (PM Bridging) does not exceed 14,000 hours. There is no minimum amount of man-hours

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the Government may exercise its option for.

Total PM Assured Mobility Systems (PM Bridging) option hours remaining: 13,083 hours. Total PM Assured Mobility Systems (PM Bridging) option hours exercised: 917 hours (Modification P00003).

H.5 Option, M88A2 HERCULES Vehicle System

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting the M88A2 HERCULES Vehicle System under CLIN 0005 of this contract by up to 16,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.6.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of the M88A2 HERCULES Vehicle System does not exceed 16,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total HERCULES option hours remaining: 16,000 hours. Total HERCULES option hours exercised: 0 hours.

H.6 Option, M-1 Abrams Vehicle System

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting the M-1 Abrams Vehicle System under CLIN 0006 of this contract by up to 50,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.7.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of the M-1 Abrams Vehicle System does not exceed 50,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total Abrams option hours remaining: 47,603 hours. Total Abrams option hours exercised: 2,397 hours.

H.7 Option, PM - Heavy Brigade Combat Team

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting the PM - Heavy Brigade Combat Team under CLIN 0007 of this contract by up to 1,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.8.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of the PM - Heavy Brigade Combat Team does not exceed 1,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total PM-HBCT option hours remaining: 1,000 hours. Total PM-HBCT option hours exercised: 0 hours.

H.8 Option, FAASV/Paladin Vehicle Systems

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting the FAASV/Paladin Vehicle Systems under CLIN 0008 of this contract by up to 1,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.9.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work

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Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of the FAASV/Paladin Vehicle Systems does not exceed 1,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total FAASV option hours remaining: 1,000 hours. Total PM-HBCT option hours exercised: 0 hours.

H.9 Option, TPF for Operator New Equipment Training (OPNET)

Pursuant to FAR 52.217-7, the Government shall have the unilateral option to increase the level of Total Package Fielding man-hours supporting Operator New Equipment Training under CLIN 0010 of this contract by up to 300,000 hours. Any exercise of the option shall be at the appropriate estimated cost and fixed fee hourly rates established in paragraph B.10.1 of this contract, as determined by the date of option exercise. The Contracting Officer may exercise the option by giving written notice to the Contractor at any time after contract award through the option expiration date of sixty months after contract award. The Contractor shall commence performance of work upon issuance and receipt of Work Directives corresponding to any increase in option hours, and complete all outlined Work Directive tasks within the specified period of performance.

The Government may exercise the option in one or more increments, provided that the total man-hours optioned over the life of the contract in support of Operator New Equipment Training does not exceed 300,000 hours. There is no minimum amount of man-hours the Government may exercise its option for.

Total OPNET option hours remaining: 300,000 hours. Total OPNET option hours exercised: 0 hours.

H.10 GOVERNMENT LIABILITY

The Government shall be held harmless from any and all third party claims arising out of the Contractor's use of the Government Equipment or Contractor performance on a Government installation. The Government shall not be held responsible for any third party damage or injury to persons or equipment resulting from contractor performance on a Government installation.

*** END OF NARRATIVE H 0001 ***